

**ARTICLES OF AMENDMENT
OF
HILLCREST HOMEOWNERS ASSOCIATION, INC.**

FILED
in the Office of the
Secretary of State of Texas

MAY 07 1998

Corporations Section

Hillcrest Homeowners Association, Inc., (hereinafter referred to as the "Corporation") a Texas nonprofit corporation subject to the Texas Non-Profit Corporation Act, has adopted these amendments to its Articles of Incorporation filed on April 9, 1988 as stated in these Articles of Amendment.

ARTICLE I

The name of the Corporation is Hillcrest Homeowners Association, Inc.

ARTICLE II

The Articles of Incorporation are amended by adding the following new Articles as follows:

ARTICLE XI - Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration of Covenants, Conditions and Restrictions of record to assessment by the Association, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE XII - The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of Assessable Tracts (as defined in the Declaration) with the exception of the Declarant (unless and until its Class B Membership converts to Class A Membership as contemplated below), and each such Class A Member shall be entitled to one vote for each Lot owned by such person or entity. When more than one person holds an interest in a single Lot, all such person shall be Members. The vote of such Lot shall be exercised as such co-owners among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot. If the co-owners of a single Lot do not vote unanimously and in unison, no vote for that Lot shall be counted.

Class B. Class B Members shall be the Declarant (as defined in the Declaration), who shall be entitled to three (3) votes in the Association for each Lot owned by it. Class B Membership shall cease and be converted to Class A Membership (and Declarant may thereafter cast one Class A vote for each Lot owned by it, regardless of whether Declarant pays any or its full share of Assessments) on the happening of the earliest to occur of the following three events (A, B, or C):

- (A) When total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (B) The twentieth anniversary date of the recordation of this initial Declaration; or
- (C) When the Declarant terminates Class B votes by an instrument filed in the official Public Records of Real Property of Travis County, Texas, or when it owns no lots and it has no other land to Annex.

ARTICLE XIII - The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the Assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE XIV - Amendment to these Articles shall require the assent of two-thirds (2/3) of the entire membership.

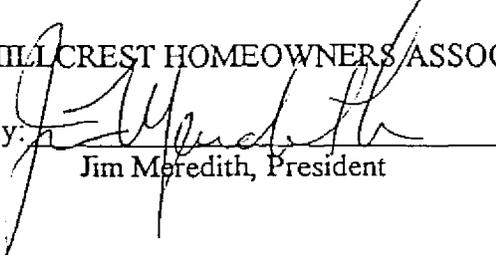
ARTICLE XV - As long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of a common area, dedication of a common area and amendment to these articles.

ARTICLE III

The Corporation has no members entitled to vote on the amendment of the Articles of Incorporation. The amendment was adopted by written consent of all directors who were entitled to vote on the amendment.

The undersigned officer of the Corporation hereby execute these Articles of Amendment on behalf of the Corporation on this 6 day of MAY, 1998.

HILLCREST HOMEOWNERS ASSOCIATION, INC.

By: 

Jim Meredith, President